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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

DEEP SKY SOFTWARE, INC., a California Corporation, Plaintiff, vs. SOUTHWEST AIRLINES CO., a Delaware Corporation, Defendant.	Case No. 10-CV-01234-CAB (KSC) **Southwest's Motion to Declare this Case Exceptional under 35 U.S.C. § 285**

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I. Preliminary Statement

During the course of the *inter partes* reexamination that invalidated all of the claims asserted in this patent-infringement case, Deep Sky presented evidence to the PTO demonstrating that the inventor and co-founder of Deep Sky, Dr. John Gorman, obtained the patent at issue by fraud. Based on that evidence, the PTO found that Dr. Gorman did not invent the claimed subject matter. In fact, it is now clear that Deep Sky: (1) intentionally withheld information from the PTO related to a prior-art software program that contained all the allegedly inventive features of the patent; and (2) falsely and knowingly stated that certain claim limitations were not present in the prior art. This alone justifies finding that this is an exceptional case under 35 U.S.C. § 285. But there is more. First, Deep Sky's infringement case was baseless because the claims asserted against Southwest could not possibly have been read on the accused web site. And second, Deep Sky refused to dismiss this case despite overwhelming evidence that the claims were invalid in light of the prior art. In short, Deep Sky asserted baseless infringement claims under an invalid patent that was obtained by fraud.

Accordingly, Southwest respectfully requests that the Court declare this an exceptional case and award Southwest its attorneys' fees.

II. Background

A. Procedural History

Deep Sky sued Southwest for patent infringement on June 9, 2010, alleging that certain functionality on Southwest's website infringed U.S. Patent No. 6,738,770 (the "'770 Patent").[1] Southwest timely denied infringement and asserted a counterclaim that the '770 Patent was invalid.[2] On April 20, 2011, the Parties jointly

[1] Deep Sky's Original Complaint [Doc. No. 1].

[2] Southwest's Answer [Doc. No. 12].

moved to stay the case pending resolution of an *inter partes* reexamination filed by Southwest.[3] The Court granted the motion and stayed the case on May 10, 2011.[4]

On July 15, 2011, the PTO ordered the *inter partes* reexamination of 29 claims of the ’770 Patent, which included the 23 Asserted Claims plus an additional 6 claims.[5] The examiner found all 29 claims invalid on multiple grounds and issued a final rejection on March 28, 2013.[6] Deep Sky appealed to the Patent Trial and Appeal Board (the “Board”), which affirmed the examiner in a decision dated December 1, 2014.[7] Deep Sky did not ask for a rehearing, nor did it appeal the Board’s decision to the Court of Appeals for the Federal Circuit. Thus, on February 2, 2015, the Board’s decision became final and non-appealable, making all of the Asserted Claims of the ’770 Patent invalid.

As the reexamination proceeding is complete, the Court lifted the stay.[8] Since the Asserted Claims are invalid, the only remaining issue is Southwest’s request for the Court to find this an exceptional case and enter an order granting Southwest an award of attorneys’ fees under 35 U.S.C. § 285.[9]

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[3] Joint Motion to Stay [Doc. No. 26]. The claims at issue were claims 5–8, 10, 12, 16, 19, 21, 25, 27, 30–35, 37, 41, 42, 45, 46, and 49 (“the Asserted Claims”); *see* Ex. A — Deep Sky’s Infringement Contentions [App. No. 2].

[4] Order Granting Joint Motion to Stay [Doc. No. 28].

[5] Ex. B — Order granting reexamination request and instituting Reexamination Control No. 95/000,625 [App. No. 43].

[6] See Ex. C — Office Action dated August 18, 2011 [App. No. 70]; Ex. D — Right of Appeal Notice dated March 28, 2013 [App. No. 85].

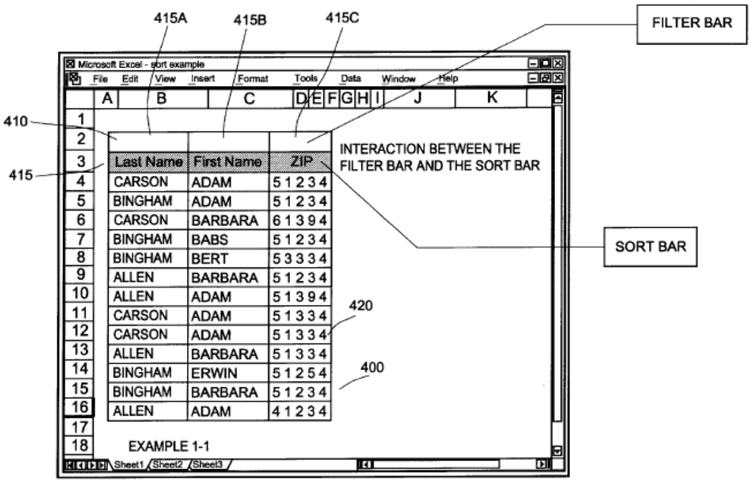
[7] Ex. E — Opinion from the Patent Trial and Appeal Board dated December 1, 2014 [App. No. 104].

[8] Order Lifting Stay [Doc. No. 43].

[9] Joint Status Report [Doc. No. 42].

B. The ’770 Patent

The ’770 Patent, titled “System and Method for Filtering and Sorting Data,” is directed to a graphical user interface that allows users to search for and sort data that is displayed in a table.[10] The claimed table includes multiple rows and columns of data, and “each of the columns . . . has an associated ‘filter cell’ whereby the user may input filter criteria.”[11] Figure 4A of the patent, reproduced below, illustrates such a table.



The filter cells, labeled 415A, B, and C in the figure, appear above separate columns of data—here representing people’s last and first names and zip codes. The filter cells are significant because an allegedly inventive feature of the table was its ability to perform incremental, or character-by-character, searching. As a user inputs characters into a filter cell, the system identifies and sorts data in the corresponding column, updating the results with the addition of each new character. This is described in Claim 5, one of the two asserted independent claims[12]:

> A method of managing data, the method comprising:
>
> displaying in a window a plurality of filter cells and a table

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[10] Ex. F — ’770 Patent [App. No. 121].

[11] Ex. F — ’770 Patent Abstract [App. No. 121].

[12] Claim 37 was the other asserted independent claim.

> comprising a plurality of rows and columns of data cells, wherein the content of each of the data cells belongs to at least one data set, wherein each of the columns or rows has an associated sort procedure, and wherein each of the data cells is associated with at least one of the filter cells;
>
> receiving filter criteria via one of the filter cells;
>
> identifying which ones of the associated data cells contain data that satisfies the filter criteria of the filter cell that is associated with the data cells; and
>
> sorting the data sets of the identified data cells, wherein the sorting is based at least in part upon one of the sort procedures, and wherein the identifying and sorting are done in response to receiving character-by-character input or upon the lapse of a preset pause period.[13]

Deep Sky asserted this, and all the other Asserted Claims, against a feature on Southwest's website that allowed customers to search for departure and arrival cities for an airline ticket by typing the name of a city or airport into a search field.[14]

III. Arguments and Authorities

A. Legal Standard

"The court in exceptional cases may award reasonable attorney fees to the prevailing party" in a patent case. 35 U.S.C. § 285. As the Supreme Court recently held in *Octane Fitness*, there is no rigid test to determine whether a case is "exceptional" to justify such an award: "[A]n 'exceptional' case is simply one that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated." *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014). Cases may be considered

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[13] Ex. F — '770 Patent at 10:52–11:2 [App. No. 145–46].

[14] Ex. A — Deep Sky's Infringement Contentions at Exhibit A [App. No. 10].

"exceptional" based on a party's frivolous claims, inequitable conduct before the PTO, or misconduct during litigation. *Beckman Instruments, Inc. v. LKB Produkter AB*, 892 F.2d 1547, 1551 (Fed. Cir. 1989).

Further, finding a case to be exceptional is well within the district court's discretion, and need be supported by only a preponderance of the evidence. "Section 285 demands a simple discretionary inquiry; it imposes no specific evidentiary burden . . . . Indeed, patent-infringement litigation has always been governed by a preponderance of the evidence standard." *Octane Fitness*, 134 S. Ct. at 1758; *see also id.* at 1756 ("District courts may determine whether a case is 'exceptional' in the case-by-case exercise of their discretion, considering the totality of the circumstances.").

B. Southwest is a prevailing party under 35 U.S.C. § 285.

To be entitled to an award of attorneys' fees, a party must be a "prevailing party." 35 U.S.C. § 285. And to be a prevailing party, one must "receive at least some relief on the merits," which "alters . . . the legal relationship of the parties." *Inland Steel Co. v. Ltv Steel Co.*, 364 F.3d 1318, 1320 (Fed. Cir. 2004). Southwest satisfies this requirement.

In its infringement contentions, Deep Sky alleged that Southwest infringed 23 claims of the '770 Patent.[15] Following the reexamination and Deep Sky's failure to appeal the Board's decision, all of the Asserted Claims are invalid. Deep Sky can no longer proceed on the merits in this lawsuit, and Southwest is entitled to a dismissal with prejudice. Southwest is therefore a prevailing party under Section 285. *See Inland Steel*, 364 F.3d at 1319–21 (holding defendant was the prevailing party under Section 285 in a district court case after the PTO rejected the asserted claims during a reexamination proceeding).

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[15] Ex. A — Deep Sky's Infringement Contentions [App. No. 2].

C. As a prevailing party, Southwest is entitled to recover its attorneys' fees because this is an exceptional case.

1. This is an exceptional case because Deep Sky obtained the '770 Patent by committing fraud against the PTO.

During reexamination, the examiner rejected 18 of the 29 claims at issue as anticipated under 35 U.S.C. § 102(e).[16] Section 102(e) states that an invention is not patentable if it was described in a published patent application that was "filed in the United States before the invention by the applicant." 35 U.S.C. 102(e). As the examiner found, the so-called Spaey Reference was an invalidating, published patent application under Section 102(e) because it was filed two months before the '770 Patent's provisional application was filed. *See, e.g.*, *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1371 (Fed. Cir. 2000) ("[T]he date of the invention is presumed to be the filing date of the parent application.").[17]

In response to the examiner's rejection, Deep Sky did not deny that the Spaey Reference met all limitations of the claims at issue. Rather, it attempted to "swear behind" the Spaey Reference—i.e., it attempted to show that the matter claimed by the patent was invented before the Spaey Reference was filed.[18] To support this position, Deep Sky offered conclusory declarations of Dr. Gorman, Deep Sky's co-founder and the named inventor on the '770 Patent.[19] Dr. Gorman's statements, however, failed to overcome the rejections. In fact, rather than support an early date for his alleged invention, Dr. Gorman: (1) provided evidence establishing that he did not invent the claimed subject matter; and (2) disclosed for the first time a piece of prior art that he had previously hidden from the PTO.

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[16] Ex. C — Office Action dated August 18, 2011 at 3 [App. No. 76].

[17] Ex. C — Office Action dated August 18, 2011 at 4 [App. No. 77]; Ex. F — '770 Patent [App. No. 121].

[18] Ex. G — First Amended Declaration of Dr. John G. Gorman (Sept. 26, 2012) ("Gorman Dec.") [App. No. 149].

[19] *Id.*

a) Dr. Gorman did not invent the subject matter claimed by the ’770 Patent.

In discussing his work that led to the claimed invention, Dr. Gorman revealed that he had used a commercial software program called VSFlexGrid. Specifically, he stated that “[a] key moment in this developing [sic] the software for [the claimed system] occurred when we purchased the Flexgrid product in 1999, which enabled further development.”[20] As evidence supporting this claim, Dr. Gorman relied on a 1999 invoice for the purchase of “VideosSoft VSFlexGrid Pro 7.0 Upgrade.”[21]

The VSFlexGrid program Dr. Gorman purchased and used was a graphical user interface kit for building database applications. As Southwest successfully argued to the examiner, Dr. Gorman’s “invention” was developed by incorporating features available in VSFlexGrid Pro into the data management system described in the ’770 Patent. VSFlexGrid Pro, for example, had a feature called AutoSearch that provided incremental, character-by-character search functionality for use in locating data in a spreadsheet or database—the same incremental, character-by-character search functionality claimed as inventive in the ’770 Patent.[22] AutoSearch is but one of the many features of VSFlexGrid Pro that Southwest demonstrated were built into the methods and systems claimed by the ’770 Patent.[23]

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[20] *Id.* ¶ 11.

[21] *Id.*

[22] Ex. H — VSFlexGrid Pro 6.0 Reviewer’s Guide at 27 [App. No. 186] ; Ex. I — Southwest’s November 17, 2011 Comments [App. No. 191].

[23] Ex. I — Southwest’s November 17, 2011 Comments at 6 [App. No. 198].

The examiner found Southwest's arguments on this issue to be "persuasive" and incorporated them by reference into the Action Closing Prosecution.[24] Accordingly, Deep Sky is bound by the following determinations:

- Everything that Dr. Gorman claims he invented was present in the VSFlexGrid product[25];
- Each concept that Dr. Gorman states he conceived is simply an available feature of VSFlexGrid[26];
- Dr. Gorman did not conceive of the concepts claimed in the '770 Patent, but rather used features available in an off-the-shelf user interface software package[27];
- Instead of inventing, [Dr. Gorman] simply used the VSFlexGrid Pro software as directed—to create user interfaces for databases using readily available features.[28]

Plainly put, the PTO caught Dr. Gorman in his lie and found that he did not invent the subject matter of the Asserted Claims.[29]

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[24] Ex. J — Action Closing Prosecution dated August 30, 2012 at 22 [App. No. 242].

[25] Ex. I — Southwest's November 17, 2011 Comments to PTO at 2, 5–8 [App. 194–200].

[26] *Id.*

[27] *Id.*

[28] *Id.*

[29] Further, because the Board's decision was unchallenged, it is now the law of the case and the claims are also invalid under 35 U.S.C. § 102(f), which states a person is not entitled to a patent if "he did not himself invent the subject matter sought to be patented." 35 U.S.C. § 102(f); *see Eaton Corp. v. Rockwell Int'l Corp.*, 323 F.3d 1332, 1334 (Fed. Cir. 2003) (holding that a party asserting invalidity under § 102(f) must prove prior conception of the invention by another and communication of that conception to the patentee, both of which were found by the Board in this case).

b) Deep Sky intentionally misrepresented and withheld information material to patentability in an effort to deceive the PTO.

Deep Sky disclosed both the existence of the VSFlexGrid program and Dr. Gorman's use of it to the PTO for the first time in its response to an Office Action in the reexamination.[30] Deep Sky did not disclose it during the original prosecution of the application. And even in the reexamination, it failed to identify the program as prior art, simply citing it as evidence to support the failed attempt to swear behind the Spaey Reference. By failing to disclose relevant prior art that Dr. Gorman not only knew about, but also relied on to develop his invention, Deep Sky committed fraud on the PTO.

An applicant's duty to disclose such information is clear. Inventors are required to prosecute patent applications in the PTO with candor, good faith, and honesty. 37 C.F.R. § 1.56. This duty requires applicants and their representatives to "disclose to the Office all information known to that individual to be material to patentability." 37 C.F.R. § 1.56. A breach of this duty constitutes inequitable conduct, which is often referred to as fraud on the PTO. *See, e.g.*, *Precision Instrument Mfg. Co. v. Automotive Maintenance Mach. Co.*, 324 U.S. 806, 818 (1945) ("Only [by requiring disclosure of all relevant facts] can the Patent Office and the public escape from being classed among the mute and helpless victims of deception and fraud.").

Inequitable conduct is shown by finding that the patent applicant: "(1) misrepresented or omitted information material to patentability, and (2) did so with specific intent to mislead or deceive the PTO." *Ohio Willow Wood Co. v. Alps S., LLC*, 735 F.3d 1333, 1344 (Fed. Cir. 2013). "[T]he materiality required to establish inequitable conduct is but-for materiality." *Therasense, Inc. v. Becton,*

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[30] Ex. G — Gorman Dec. at 5 [App. No. 153].

Dickinson and Co., 649 F.3d 1276, 1291 (Fed. Cir. 2011). In particular, undisclosed prior art is "but-for material if the PTO would not have allowed a claim had it been aware of" it. *Id.* And the specific intent to commit inequitable conduct may be inferred from indirect and circumstantial evidence if deceptive intent is the "single most reasonable inference drawn from the evidence." *Ohio Willow Wood*, 735 F.3d at 1351.

Here, there is no doubt that the VSFlexGrid program was material. Indeed, the PTO's determination that it contained all the inventive features of the claimed '770 Patent invention went unchallenged. Further, the program satisfied the "but-for" materiality requirement. In ordering the reexamination, the PTO focused on the lack of the character-by-character feature in the prior art, noting that "the limitation 'data cells are identified and sorted in response to receiving character-by-character input or upon the lapse of a preset pause period' is found in issued independent claim 5 and is therefore important to the allowance of that claim."[31] Thus, when the PTO originally allowed the claims to issue, it did so under a belief that the prior art did not disclose data tables with such an incremental search feature.

That belief was based both on Deep Sky's failure to disclose the VSFlexGrid program and on the '770 Patent specification, which explicitly states that incremental search functionality did not exist in the prior art. The patent states, for example:

> Although a number of spreadsheet programs for various applications are in commercial use, these programs are limited in that they do not readily allow an unsophisticated user to filter and sort multiple columns of data cells in a data table. . . . Furthermore, these spreadsheet programs do not dynamically respond to input filter criteria as it is typed by the user.[32]

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[31] Ex. B — Order Granting Reexamination at 4 [App. No. 49].

[32] Ex. F — '770 Patent at 1:25–40 (emphasis added) [App. No. 141].

But this is exactly what the AutoSearch feature of the VSFlexGrid program did—dynamically respond to user input as it was typed by the user. It is clear, therefore, that the PTO would not have allowed the Asserted Claims if Deep Sky had disclosed the VSFlexGrid program to the examiner during the original prosecution.

It is equally clear that Deep Sky's failure to disclose that material information and its misrepresentation of material facts in the patent specification were intended to deceive the PTO. Dr. Gorman knew the VSFlexGrid program was relevant. He admitted that acquiring it was "[a] key moment in this developing [sic] the software for Tracker" that "enabled further development."[33] And although he owned and used the program, Dr. Gorman nonetheless told the PTO that commercially available software did not have the claimed incremental search functionality.

Simply stated, Deep Sky obtained the '770 Patent by committing fraud against the PTO, and its assertion of that fraudulently obtained patent against Southwest makes this an exceptional case. *See, e.g.*, *Taltech Ltd. v. Esquel Enters. Ltd.*, 604 F.3d 1324, 1329–34 (Fed. Cir. 2010) (upholding district court's exceptional case finding based on patent applicant's misrepresentations of material information and failure to disclose material prior art).

c) Deep Sky improperly withheld documents related to the VSFlexGrid program in this litigation.

In addition to failing to disclose the VSFlexGrid program to the PTO, Deep Sky wrongfully withheld documents related to the program in this litigation. Under the local patent rules, Deep Sky was obligated to produce "[a]ll documents evidencing the conception, reduction to practice, design, and development of each claimed invention." Patent L.R. 3.2(b). Despite Dr. Gorman's admission that acquiring the VSFlexGrid program was "[a] key moment in this developing [sic] the software for Tracker" that "enabled further development,"[34] despite being able to produce the 1999 invoice for the purchase of VideosSoft VSFlexGrid Pro 7.0 Upgrade in the reexamination, and despite the fact that the program provided all of the inventive features of the '770 Patent system, Deep Sky's Rule 3.2(b) disclosure did not include a single reference to any documents related to that program.[35]

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[33] Ex. G — Gorman Dec. [App. No. 149].

Deep Sky's pattern and practice of flouting the rules by hiding evidence of material prior art was not confined to the reexamination.

2. This is also an exceptional case because Deep Sky's claims were frivolous.

a) Deep Sky's infringement case was objectively baseless.

All of the Asserted Claims require "a table comprising a plurality of rows and columns of data cells." Independent claim 5, for example, requires "displaying in a window a plurality of filter cells and a table comprising a plurality of rows and columns of data cells."[36] Independent claim 37 similarly requires "a module for displaying a table comprising a plurality of rows and columns of data cells."[37] Deep Sky's infringement case was therefore based, in part, on a contention that Southwest's accused system infringed because it had a table comprising a plurality of rows and columns of data cells.[38] It did not.

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[34] Ex. G — Gorman Dec. [App. No. 149].

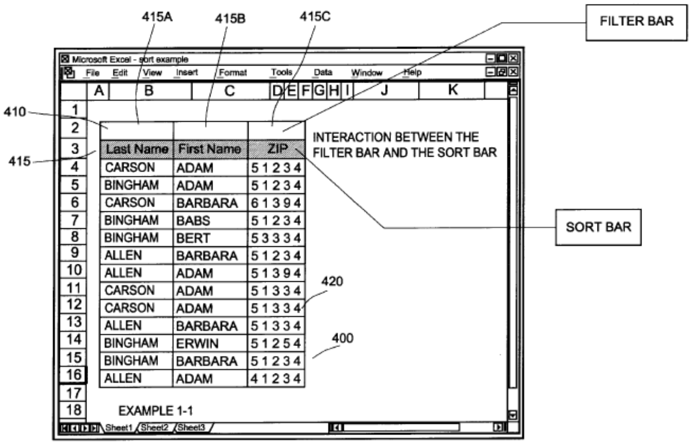
[35] *See* Ex. A — Deep Sky's Infringement Contentions [App. No. 2].

[36] Ex. F — '770 Patent at 10:52–11:2 [App. No. 145–46].

[37] Ex. F — '770 Patent at 12:49–13:4 [App. No. 146–47]. Claims 5 and 37 are the only two asserted independent claims, and all of the Asserted Claims that depend from them necessarily also require "a table comprising a plurality of rows and columns of data cells."

[38] Ex. A — Deep Sky's Infringement Contentions [App. No. 2].

According to the '770 Patent, each of the claimed plurality of columns contains a different type of data. Figure 4A, reproduced below, illustrates this concept.


415A
415B
415C
FILTER BAR
410
415
INTERACTION BETWEEN THE FILTER BAR AND THE SORT BAR
SORT BAR
420
400
Last Name
First Name
ZIP
EXAMPLE 1-1

In describing this figure, the patent states that "[t]he table 400 includes a plurality of data cells 420 arranged in columns and rows."[39] It then further clarifies: "[E]ach data cell that falls within a different column holds a certain type of information regarding the individual. For example, the left-most column of table 400 contains the last name of individuals, the second column holds the first name of the individuals, and the third column holds the zip codes of the individuals."[40] Thus, the data in any given column is a different type of data than the data in the other columns.

Deep Sky's infringement contentions accused a search tool on Southwest's website that did not include such columns. That tool, reproduced below (annotated to show the flow of the data), had only one column of data that wrapped to fit the screen, not multiple data columns, as required by the Asserted Claims.

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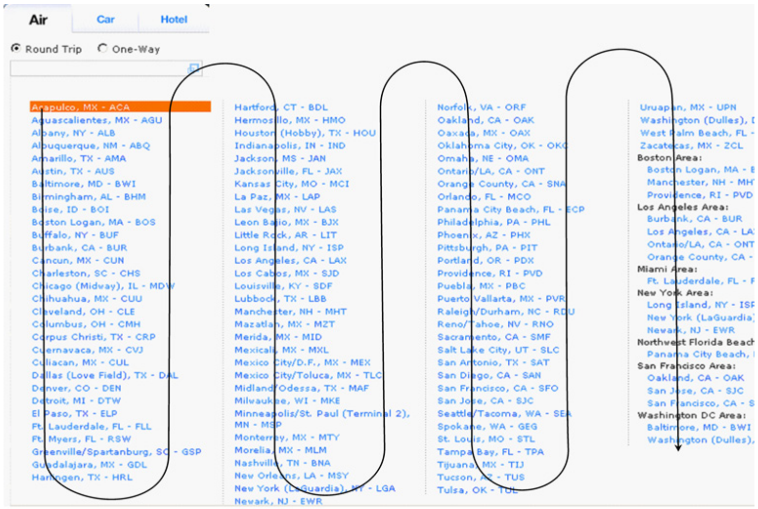
[39] Ex. F — '770 Patent at 5:29–30 [App. No. 143].

[40] Ex. F — '770 Patent at 5:32–37 [App. No. 143].


Air
Car
Hotel
Round Trip
One-Way
Acapulco, MX - ACA
Aguascalientes, MX - AGU
Albany, NY - ALB
Albuquerque, NM - ABQ
Amarillo, TX - AMA
Austin, TX - AUS
Baltimore, MD - BWI
Birmingham, AL - BHM
Boise, ID - BOI
Boston Logan, MA - BOS
Buffalo, NY - BUF
Burbank, CA - BUR
Cancun, MX - CUN
Charleston, SC - CHS
Chicago (Midway), IL - MDW
Chihuahua, MX - CUU
Cleveland, OH - CLE
Columbus, OH - CMH
Corpus Christi, TX - CRP
Cuernavaca, MX - CVJ
Culiacan, MX - CUL
Dallas (Love Field), TX - DAL
Denver, CO - DEN
Detroit, MI - DTW
El Paso, TX - ELP
Ft. Lauderdale, FL - FLL
Ft. Myers, FL - RSW
Greenville/Spartanburg, SC - GSP
Guadalajara, MX - GDL
Harlingen, TX - HRL
Hartford, CT - BDL
Hermosillo, MX - HMO
Houston (Hobby), TX - HOU
Indianapolis, IN - IND
Jackson, MS - JAN
Jacksonville, FL - JAX
Kansas City, MO - MCI
La Paz, MX - LAP
Las Vegas, NV - LAS
Leon Bajio, MX - BJX
Little Rock, AR - LIT
Long Island, NY - ISP
Los Angeles, CA - LAX
Los Cabos, MX - SJD
Louisville, KY - SDF
Lubbock, TX - LBB
Manchester, NH - MHT
Mazatlan, MX - MZT
Merida, MX - MID
Mexicali, MX - MXL
Mexico City/D.F., MX - MEX
Mexico City/Toluca, MX - TLC
Midland/Odessa, TX - MAF
Milwaukee, WI - MKE
Minneapolis/St. Paul (Terminal 2), MN - MSP
Monterrey, MX - MTY
Morelia, MX - MLM
Nashville, TN - BNA
New Orleans, LA - MSY
New York (LaGuardia), NY - LGA
Newark, NJ - EWR
Norfolk, VA - ORF
Oakland, CA - OAK
Oaxaca, MX - OAX
Oklahoma City, OK - OKC
Omaha, NE - OMA
Ontario/LA, CA - ONT
Orange County, CA - SNA
Orlando, FL - MCO
Panama City Beach, FL - ECP
Philadelphia, PA - PHL
Phoenix, AZ - PHX
Pittsburgh, PA - PIT
Portland, OR - PDX
Providence, RI - PVD
Puebla, MX - PBC
Puerto Vallarta, MX - PVR
Raleigh/Durham, NC - RDU
Reno/Tahoe, NV - RNO
Sacramento, CA - SMF
Salt Lake City, UT - SLC
San Antonio, TX - SAT
San Diego, CA - SAN
San Francisco, CA - SFO
San Jose, CA - SJC
Seattle/Tacoma, WA - SEA
Spokane, WA - GEG
St. Louis, MO - STL
Tampa Bay, FL - TPA
Tijuana, MX - TIJ
Tucson, AZ - TUS
Tulsa, OK - TUL
Uruapan, MX - UPN
Washington (Dulles),
West Palm Beach, FL
Zacatecas, MX - ZCL
Boston Area:
Boston Logan, MA
Manchester, NH
Providence, RI - PVD
Los Angeles Area:
Burbank, CA - BUR
Los Angeles, CA
Ontario/LA, CA - ONT
Orange County, CA
Miami Area:
Ft. Lauderdale, FL
New York Area:
Long Island, NY
New York
Newark, NJ - EWR
Northwest Florida
Panama City
San Francisco Area:
Oakland, CA - OAK
San Jose, CA - SJC
San Francisco, CA
Washington DC Area:
Baltimore, MD - BWI
Washington (Dulles),

A search field, at the upper left of the image, above, allowed customers to search for departure and arrival cities for an airline ticket by typing in the name of the city or airport. The results of the search appeared as a list of airports—a single set of data—displayed in the horizontally wrapped list shown in the image.

Deep Sky argued that because the list of cities wraps across the screen, the image displays four columns of data—the first showing airports from Acapulco to Harlingen; the second, airports from Hartford to Newark; the third, airports from Norfolk to Tulsa; and the fourth, airports from Uruapan to Washington Dulles. That argument defies logic and is inconsistent with the patent's description of the columns. The data displayed in the accused system is all of the same type—airports. Common sense and the patent's own descriptions demonstrate that the Southwest interface shows a single data column, not the required plurality of columns, each of which contains a different type of data.

Accordingly, the Court may find this an exceptional case based on Deep Sky's assertion of baseless infringement claims. *See, e.g.*, *Cartner v. Alamo Group, Inc.*, 561 Fed. Appx. 958, 963–65 (Fed. Cir. 2014) (not selected for publication in West's Federal Reporter) (upholding district court's exceptional case finding based on frivolous infringement contentions).

b) In view of the invalidating prior art cited by Southwest, there was no basis for Deep Sky's refusal to withdraw its claims.

Early in this case, Southwest provided Deep Sky with a number of invalidating prior-art references.[41] Deep Sky, however, refused to withdraw its infringement claims, so Southwest filed its request for an *inter partes* reexamination. As discussed, the PTO ordered the reexamination and ultimately invalidated all of the Asserted Claims based on the prior art submitted by Southwest. Specifically, the PTO's rejections were based on seven prior art references and the following four grounds of rejection[42]:

(1) 18 claims were rejected as anticipated under 35 U.S.C. § 102(e) by the Spaey Reference;

(2) 23 claims were rejected as obvious under 35 U.S.C. § 103(a) over Marshall in view of Microsoft Help Authoring Kit[43];

(3) all 29 claims were rejected as obvious under 35 U.S.C. § 103(a) over Marshall, Groff, and Using Netscape Communicator 4[44]; and

(4) all 29 claims were rejected as obvious under 35 U.S.C. § 103(a) over Mastering Excel 97 in view of Visual Basic Source Code Library.[45]

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[41] Ex. K — Letter from Jonathan L. Pettit (counsel for Deep Sky) to Max Ciccarelli (counsel for Southwest) (Mar. 25, 2011) [App. No. 252].

[42] Ex. C — Office Action dated August 18, 2011 [App. No. 70]. Southwest also submitted the Microsoft Help software program as another potential ground of rejection. However, 35 U.S.C. § 301 specifies that the PTO can only review patents and printed publications as prior art in an *inter partes* reexam. Because the Help program was software, it was not statutorily eligible to be considered.

[43] Marshal et al., U.S. Patent No. 5,926,806, issued July 20, 1999, filed October 18, 1996; Microsoft Windows 95 Help Authoring Kit (Microsoft Press 1995) ("MS Help Authoring Kit"); Ex. C — Office Action dated August 18, 2011 [App. No. 70].

[44] Groff et al., U.S. Patent No. 5,787,411, issued July 28, 1998, filed March 20, 1996; Mark R. Brown, Using Netscape Communicator 4, (Que 1997) ("Using Netscape Communicator 4"); Ex. C — Office Action dated August 18, 2011 [App. No. 70].

[45] Thomas Chester & Richard H. Alden, Mastering Excel 97, (Sybex, 4th ed. 1997) ("Mastering Excel"); Brian Shea et al., Visual Basic Source Code Library (Sams Jan. 1999) ("Using Netscape Communicator 4"); Ex. C — Office Action dated August 18, 2011 [App. No. 70].

In total, therefore, Deep Sky faced 99 individual claim rejections. Over the two-and-a-half-year reexamination, Deep Sky attempted to have these rejections overturned by filing two responses to the examiner, providing two declarations from Dr. Gorman, and filing an appeal brief and a rebuttal brief to the Board—all to no avail, as the PTO maintained all 99 rejections. Indeed, the merits of the reexamination were so one-sided that Deep Sky was unable to overturn even one of the rejections for a single claim. Had there been a reasonable dispute over validity, Deep Sky should have been able to convince the PTO to withdraw at least one rejection of at least one claim. That Deep Sky was unable to do so demonstrates that there was no legitimate dispute over the invalidity of the Asserted Claims. Accordingly, the Court may find this an exceptional case. *See Beckman Instruments*, 892 F.2d at 1551 (holding that an exceptional case finding can be based on a frivolous suit).

IV. Conclusion

As set forth above, Deep Sky: (1) intentionally failed to disclose the VSFlexGrid program to the PTO; (2) knowingly and falsely told the PTO that no prior-art systems had incremental, character-by-character search functionality; (3) asserted infringement claims against a system that could not be found infringing under any reasonable theory; and (4) refused to dismiss the case despite conclusive evidence that the Asserted Claims were invalid. Any one of these facts, taken alone, would justify the Court finding this an exceptional case; taken together, they virtually compel such a finding.

THEREFORE, Southwest respectfully requests that the Court find this case exceptional under 35 U.S.C. § 285, award reasonable attorneys' fees to Southwest, and allow Southwest to submit evidence regarding the amount of its fees. Southwest also requests any further relief to which it may be entitled.

DATED: February 6, 2015

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on February 6, 2015, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the following:

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